

## EXHIBIT 461

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

- - -

IN RE: NATIONAL	:	
PRESCRIPTION	:	MDL No. 2804
OPIATE LITIGATION	:	
	:	Case No.
	:	1:17-MD-2804
THIS DOCUMENT RELATES	:	
TO ALL CASES	:	Hon. Dan A. Polster

- - -

Friday, December 21, 2018

HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER  
CONFIDENTIALITY REVIEW

- - -

Videotaped deposition of PETER RATYCZ, held at  
the offices of Cavitch, Familo & Durkin,  
1300 East Ninth Street, Cleveland, Ohio, commencing at  
8:59 a.m., on the above date, before Carol A. Kirk,  
Registered Merit Reporter and Notary Public.

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<p style="text-align: right;">Page 98</p> <p>1 A. Yes.</p> <p>2 Q. Okay. And I think what you used</p> <p>3 is that the six-week report is prospective. Is</p> <p>4 that what you said?</p> <p>5 A. Correct.</p> <p>6 Q. Okay. And I think there is kind</p> <p>7 of a pregnant negative there in that the monthly</p> <p>8 average is retrospective, correct?</p> <p>9 A. That's correct.</p> <p>10 Q. So fair to say that the 12-month</p> <p>11 is retrospective where the six-week is</p> <p>12 prospective?</p> <p>13 A. That's correct.</p> <p>14 ---</p> <p>15 (DDM-Ratycz Exhibit 2 marked.)</p> <p>16 ---</p> <p>17 Q. Okay. I'm now handing you what --</p> <p>18 I think we're on Plaintiff's Exhibit 2.</p> <p>19 Do you have it in front of you</p> <p>20 sir?</p> <p>21 A. Yes, I do.</p> <p>22 Q. Do you need time to review it?</p> <p>23 And I'll -- you can review the whole document if</p> <p>24 you'd like, but I'll tell you the first</p>	<p style="text-align: right;">Page 100</p> <p>1 Q. Okay. Why not?</p> <p>2 A. Because we do have a procedure --</p> <p>3 what happened here is that -- this was tied to</p> <p>4 our VAWD accreditation. And there's some</p> <p>5 background on that. We thought we needed to</p> <p>6 have this VAWD accreditation. VAWD stands for</p> <p>7 Verified Accredited Wholesaler Distributor.</p> <p>8 And this accreditation is for</p> <p>9 anybody who's selling, you know, medications.</p> <p>10 It was a requirement by a payer to have this in</p> <p>11 place. There was a gray area there in our</p> <p>12 interpretation. And I'll answer your question.</p> <p>13 It's just some background there.</p> <p>14 Q. No, no. Please continue.</p> <p>15 A. There was a gray area there that</p> <p>16 we did not -- since we're a distributor to our</p> <p>17 own stores, whether we needed that. Because</p> <p>18 we're not distributing to a customer.</p> <p>19 Essentially our stores, I guess, are our</p> <p>20 customer.</p> <p>21 So we didn't think we needed it.</p> <p>22 It was recommended that we go through this VAWD</p> <p>23 accreditation process. We got halfway through</p> <p>24 that process. The payer said, "No, you don't</p>
<p style="text-align: right;">Page 99</p> <p>1 paragraph is the only thing I'm going to</p> <p>2 question you on.</p> <p>3 A. Okay. I'm fine.</p> <p>4 Q. Okay. Have you ever seen this</p> <p>5 document before today?</p> <p>6 A. Yes.</p> <p>7 Q. All right. We talked about your</p> <p>8 deposition review earlier, the seven- to</p> <p>9 eight-hour period. Did you see this document in</p> <p>10 your review?</p> <p>11 A. Yes, I did.</p> <p>12 Q. Okay. So you're familiar with</p> <p>13 that first paragraph there?</p> <p>14 A. Yes, I am.</p> <p>15 Q. Okay. And as I'm sure you're</p> <p>16 aware, my interest in that paragraph, starting</p> <p>17 with the second sentence, "We do not sell any</p> <p>18 items outside our own company, so there is no</p> <p>19 policy in place for ordering patterns or</p> <p>20 payments amounts that would identify potential</p> <p>21 diversion or criminal activity."</p> <p>22 First of all, do you believe</p> <p>23 that's an accurate statement?</p> <p>24 A. Absolutely not.</p>	<p style="text-align: right;">Page 101</p> <p>1 need that because you're only sending it to your</p> <p>2 own stores. If you were selling this to another</p> <p>3 entity outside of Discount Drug Mart, then that</p> <p>4 would be required."</p> <p>5 So the steam sort of came -- the</p> <p>6 wind was sort of out of the sails for this</p> <p>7 entire process with the VAWD here. So, in other</p> <p>8 words, I don't think that there was a great deal</p> <p>9 maybe spent on formalizing our policies</p> <p>10 correctly.</p> <p>11 But in this situation, when I read</p> <p>12 it, the word that threw me off was -- I mean,</p> <p>13 there's obviously, do not sell any items outside</p> <p>14 our own company, but payment amounts, because</p> <p>15 that made no sense. Because we don't -- we move</p> <p>16 product from our distribution center to our</p> <p>17 store. We don't make revenue off of that move.</p> <p>18 Certainly if there's a sale at that particular</p> <p>19 point at the store, we would.</p> <p>20 So as I read that, "payment</p> <p>21 amounts" made absolutely no sense. And what</p> <p>22 happened here was, when Jill completed a</p> <p>23 template -- VAWD would provide you a template</p> <p>24 and you would answer questions. And those,</p>

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Thursday, January 3, 2019

HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER  
CONFIDENTIALITY REVIEW

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Videotaped deposition of JILL A. STRANG, held  
at the offices of Cavitch, Familo & Durkin,  
1300 East Ninth Street, Cleveland, Ohio, commencing at  
8:57 a.m., on the above date, before Carol A. Kirk,  
Registered Merit Reporter and Notary Public.

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<p style="text-align: right;">Page 70</p> <p>1 would automatically spit out a report that would 2 go to them, to the store? 3 A. It would go to the store. 4 Q. Okay. Would it come to you? 5 A. Not unless -- not unless they sent 6 it to me. 7 Q. Not unless the store sent it to 8 you? 9 A. Exactly. 10 Q. Okay. So store 1 submits an order 11 for hydrocodone, and let's say in your example 12 they order one bottle a week for the prior six 13 weeks, okay? 14 A. Yes. 15 Q. And then on the seventh week they 16 order two bottles, right? 17 A. Yes. 18 Q. Okay. And this is just my 19 hypothetical. They would then get a report from 20 Pioneer that says, "Hey, this order is greater 21 than your six-week average," fair? 22 A. Yes, yes. 23 Q. Okay. But you wouldn't get that 24 report, right?</p>	<p style="text-align: right;">Page 72</p> <p>1 Q. Okay. So all the drugs that are 2 listed on that report have already been shipped 3 out, right? 4 A. Yes. 5 Q. Okay. And so the only potentially 6 prospective report would be the six-week average 7 report, right? 8 A. That, and the knowledge of the 9 person pulling. If it was two bottles instead 10 of one bottle, but if there were five, six, 11 seven bottles, that would definitely be in 12 question. 13 Q. Okay. But you're just relying on 14 someone's memory at that point, right? 15 A. And their knowledge of our stores. 16 Q. Okay. And there's 74 of them, 17 right? 18 A. Yes. 19 Q. Okay. And so let's say a 20 pharmacist gets this, you know, six-week average 21 report, and they ordered one bottle and this 22 time they order two and they get it and they're 23 like, "Well, I know, you know, this is legit." 24 Were there ever instances where</p>
<p style="text-align: right;">Page 71</p> <p>1 A. I do not. 2 Q. Okay. And the only way you would 3 learn that they were ordering more than their 4 six-week average would be if the chief 5 pharmacist contacted you and told you about it, 6 correct? 7 A. Yes. 8 Q. Okay. And so was there anybody at 9 DDM corporate or in the warehouse that would 10 also be notified when one of those reports was 11 generated? 12 A. Yes -- not when the report was 13 generated. If the order was pulled as two, as 14 in your example, monthly there was a report that 15 Tom Nameth and Jason Briscoe would look at, and 16 they would contact that store and inquire, you 17 know, as to why. 18 Q. Okay. 19 A. If there was more patients or 20 whatever, and they would have the ability to 21 answer back as to why. 22 Q. You'd agree that that's sort of 23 more of a retrospective report, correct? 24 A. Yes.</p>	<p style="text-align: right;">Page 73</p> <p>1 they would just, you know, file that report away 2 and not do anything further, that you know of? 3 A. That I know of, yes. 4 Q. Okay. And so did DDM require the 5 chief pharmacist to take any action when they 6 received a report like that? 7 A. No. It's up to their discretion. 8 Q. Okay. And it was sort of a, "Hey, 9 heads up, your average is this, but this time 10 you ordered that. Just wanted to make sure that 11 was right." 12 A. Yes. 13 Q. Okay. And so in that sense, I 14 think this phrase we've used before is it was 15 kind of a fat-finger report to make sure there 16 were no typing errors? 17 A. Yes. 18 MR. JOHNSON: That's a term that 19 you have used. 20 MR. MULLIGAN: Well, other people 21 have used it, too. I think one of your 22 witnesses used it once. 23 MR. JOHNSON: Only in response to 24 the questioning.</p>

<p style="text-align: right;">Page 230</p> <p>1 of a diversionary scheme, correct?</p> <p>2 A. Not when the orders were, again, a</p> <p>3 quantity of one and they're ordering two or a</p> <p>4 quantity of two and they're ordering three.</p> <p>5 Q. Well, that's just an example,</p> <p>6 though.</p> <p>7 A. It is an example.</p> <p>8 Q. Did you ever identify any order</p> <p>9 from any store that you treated as potentially</p> <p>10 suspicious?</p> <p>11 A. No.</p> <p>12 ---</p> <p>13 (DDM-Strang Exhibit 16 marked.)</p> <p>14 ---</p> <p>15 Q. All right. Let's look at</p> <p>16 Exhibit 16, which is DDM453459. This is an</p> <p>17 e-mail dated February 2018, so less than a year</p> <p>18 ago, from Joe Muha to Pete Ratycz, Keith Miller,</p> <p>19 Jason Briscoe, and yourself.</p> <p>20 Do you see that?</p> <p>21 A. Yes.</p> <p>22 Q. And the subject is, "SOM is</p> <p>23 becoming a bigger deal."</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 232</p> <p>1 Q. Do you think that that means that</p> <p>2 it's -- well, how did you perceive that subject?</p> <p>3 What did you perceive that to mean?</p> <p>4 A. I perceived that it is becoming a</p> <p>5 bigger deal, but I'm still doing everything we</p> <p>6 can the exact same that I was doing last week</p> <p>7 and two months ago. It's just as serious today</p> <p>8 as it was two years ago, three years ago, ten</p> <p>9 years ago.</p> <p>10 Q. And so you're doing the same thing</p> <p>11 you were doing ten years ago?</p> <p>12 A. Yes.</p> <p>13 Q. And despite the fact that we saw</p> <p>14 an e-mail where Mr. Ratycz said that you guys</p> <p>15 needed to develop further reporting to</p> <p>16 effectively identify suspicious orders, you guys</p> <p>17 are doing the same thing as you were ten years</p> <p>18 ago, right?</p> <p>19 MR. JOHNSON: Objection.</p> <p>20 A. We are at the distribution center.</p> <p>21 Q. Okay.</p> <p>22 A. If he wants to tighten up or make</p> <p>23 a policy for something else or develop maybe a</p> <p>24 stronger policy for us. Today, that's what</p>
<p style="text-align: right;">Page 231</p> <p>1 A. Yes.</p> <p>2 Q. Was suspicious order monitoring a</p> <p>3 big deal before February 2018?</p> <p>4 A. Yes.</p> <p>5 Q. And why was it a big deal?</p> <p>6 A. Because it is. Because it is --</p> <p>7 it was a big deal. It is a big deal, and we</p> <p>8 take it seriously. But any orders that I've</p> <p>9 seen have not been suspicious.</p> <p>10 Q. That's not what I asked you. I</p> <p>11 asked you -- you said that suspicious order</p> <p>12 monitoring is a big deal, right?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. And I asked you why is it a</p> <p>15 big deal?</p> <p>16 A. Because we need to do our job to</p> <p>17 make sure that anything that we're distributing</p> <p>18 from our distribution center is not adding to</p> <p>19 that problem.</p> <p>20 Q. Okay. And this e-mail suggests</p> <p>21 that it's becoming -- it has become a bigger</p> <p>22 deal in around the 2018 time frame, right?</p> <p>23 Do you agree with that?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 233</p> <p>1 we're doing.</p> <p>2 Q. Do you know whether anything has</p> <p>3 been done to draw up more effective controls to</p> <p>4 identify suspicious orders, like he mentioned</p> <p>5 that was needed in that e-mail?</p> <p>6 A. I don't know.</p> <p>7 MR. JOHNSON: Objection.</p> <p>8 THE WITNESS: I'm sorry.</p> <p>9 MR. JOHNSON: Go ahead.</p> <p>10 A. I don't know because that could</p> <p>11 deal with store level and pharmacists. And,</p> <p>12 again, distribution center.</p> <p>13 Q. Okay. So I know you've been</p> <p>14 distinguishing between the store and corporate</p> <p>15 and then distribution. But at the beginning of</p> <p>16 the deposition today, you told me that you were</p> <p>17 the one responsible for DDM's suspicious order</p> <p>18 monitoring policies and procedures, correct?</p> <p>19 MR. JOHNSON: Objection.</p> <p>20 A. I am, but nobody told me to have</p> <p>21 it in writing. I'm in charge of making sure</p> <p>22 that the orders go out with history and making</p> <p>23 sure that they're all --</p> <p>24 Q. Okay. So when you say you're</p>

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1 responsible --  
 2 A. -- input properly.  
 3 Q. -- for DDM suspicious order  
 4 monitoring policies and procedures, you mean  
 5 within the silo of the distribution center,  
 6 correct?  
 7 A. Yes.  
 8 Q. You don't have any responsibility  
 9 for what the pharmacy operations people do and  
 10 what the pharmacists do, correct?  
 11 A. I think there is -- I think we're  
 12 all responsible for each part of our job. They  
 13 do overlap a little bit, but, again, when the  
 14 orders come in, that's my job. When they're  
 15 filled, that's my job. And when they leave,  
 16 that's my job.  
 17 Q. Okay.  
 18 A. And the invoicing is my job.  
 19 After that, that's up to the pharmacy  
 20 operations. And before that, obviously these  
 21 reports were created to help us.  
 22 Q. Okay. And I just want to -- I'm  
 23 just looking for clarification.  
 24 A. Yeah.

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1 Q. I haven't heard anything today  
 2 where you said, "This is what I do to help  
 3 identify suspicious orders." It seems to me  
 4 like your role is to make sure that what's  
 5 ordered was ordered right and that it's  
 6 fulfilled, but it doesn't seem like there's any  
 7 part of your job that goes beyond that into the  
 8 realm of, "Is this suspicious or not?"  
 9 Is that fair?  
 10 MR. JOHNSON: Objection.  
 11 A. No. Because I think suspicious --  
 12 it depends on, again, the quantity and what the  
 13 orders are coming through as. Am I contacting  
 14 the same stores all the time? Am I talking to  
 15 the same pharmacists all the time? There's two  
 16 pharmacists at every store, so it's nice to  
 17 verify that sometimes. The history. All the  
 18 history.  
 19 Q. But you're just looking at that to  
 20 see whether they made a typo, right?  
 21 MR. JOHNSON: Objection.  
 22 A. Correct. But I would assume that  
 23 I could also tell, if that was an order error,  
 24 I'm cutting it off at the pass before they even

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1 get the product.  
 2 Q. Right. But that may not have  
 3 anything to do with diversion, right?  
 4 A. Maybe not, but maybe.  
 5 Q. Okay. I just -- I'm just trying  
 6 to understand because I -- you said you're  
 7 responsible for suspicious order monitoring  
 8 policies and procedures in the beginning, which  
 9 was broad, and then now it's just within the  
 10 silo of distribution. But I -- you haven't told  
 11 me anything that would suggest that you actually  
 12 do anything to identify suspicious orders other  
 13 than to identify typos in orders; is that fair?  
 14 MR. JOHNSON: Objection.  
 15 A. No. I think that my job is, if  
 16 there is something that shows up on a report and  
 17 someone wants it to be cut, that's part of my  
 18 job. If one of my pullers that have had  
 19 experience for years doing this and they see an  
 20 asterisk on an order or they brought something  
 21 to my attention, that was my job.  
 22 Did I ever think that that was  
 23 suspicious? No. Once I investigated it,  
 24 history, talked to the pharmacist, I mean, did

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1 my due diligence, I would never say that there  
 2 was ever a suspicious order. It was always, "We  
 3 ordered six of these ointments and we only want  
 4 two."  
 5 "I ordered three bottles of this  
 6 of 30. We only need one." There was never  
 7 anything that was a red flag of multiple weeks,  
 8 multiple huge quantities, multiple controls.  
 9 It's very rare that we have a  
 10 control that someone's like, "Oh, no, no, we  
 11 only wanted one." It's more along the lines of  
 12 everything else. So I watch those orders. I'm  
 13 told about those orders, and I feel like I am  
 14 doing our due diligence at the distribution  
 15 center.  
 16 Q. To make sure that the pharmacies  
 17 get what they ordered, right? To make sure that  
 18 what you send them is what they actually need?  
 19 A. What they actually need.  
 20 Q. Okay. It's not your job to  
 21 second-guess what the pharmacy is ordering?  
 22 A. It's my job to trust who I work  
 23 with, that every day when I talk to all these  
 24 people -- and they call more often than just

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Monday, January 7, 2019

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Videotaped deposition of TOM NAMETH, held at  
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<p style="text-align: right;">Page 86</p> <p>1 A. Yes.</p> <p>2 Q. And under c, obviously none of</p> <p>3 them were ever reported to the DEA, correct?</p> <p>4 A. Correct.</p> <p>5 Q. Okay. And the due diligence that</p> <p>6 would have been performed on anything that</p> <p>7 showed up on that 12-month report would have</p> <p>8 been the form you sent to the stores; is that</p> <p>9 correct?</p> <p>10 A. Yes.</p> <p>11 Q. And would there be any other</p> <p>12 documentation to reflect any due diligence that</p> <p>13 was done?</p> <p>14 A. Not to my knowledge, no.</p> <p>15 Q. Okay. Did you keep files in your</p> <p>16 office or that were accessible to you that</p> <p>17 contained those documents or some sort of a</p> <p>18 running file that would show your due diligence</p> <p>19 over time as it related to a particular store?</p> <p>20 A. Yes.</p> <p>21 Q. And would that just be by store?</p> <p>22 A. It would be by month.</p> <p>23 Q. So it would be by month, not by</p> <p>24 store?</p>	<p style="text-align: right;">Page 88</p> <p>1 reasons why you determined a possible suspicious</p> <p>2 order was not suspicious on that report?</p> <p>3 A. No.</p> <p>4 Q. Would that be reflected in the</p> <p>5 form that you sent to the store?</p> <p>6 A. Correct.</p> <p>7 Q. Okay. Did you ever halt or</p> <p>8 suspend any order as suspicious?</p> <p>9 A. Did not.</p> <p>10 Q. Okay. And, in fact, I believe the</p> <p>11 report you've been talking about, the 12-month</p> <p>12 report, was a retrospective report, correct?</p> <p>13 A. Yes.</p> <p>14 Q. So that report was not -- didn't</p> <p>15 work in a way that would allow you to stop an</p> <p>16 order before it was filled, right?</p> <p>17 A. No. But there was another report</p> <p>18 that was generated that Jill looked at that</p> <p>19 could have fulfilled that.</p> <p>20 Q. Okay. And so the only prospective</p> <p>21 system that was in place at DDM to identify</p> <p>22 suspicious orders, that you know of, was the</p> <p>23 report that Jill looked at, correct?</p> <p>24 A. Yes.</p>
<p style="text-align: right;">Page 87</p> <p>1 A. Correct.</p> <p>2 Q. Okay. And would that basically</p> <p>3 consist of you taking the report that was</p> <p>4 printed out and just putting it in a file?</p> <p>5 A. Well, the reports -- those whole</p> <p>6 reports were kept. Usually I indicated on the</p> <p>7 report which ones that I notified the stores</p> <p>8 about, on that report. But then also when the</p> <p>9 report was generated and went out to the stores,</p> <p>10 there was also a follow up that had to make sure</p> <p>11 that those answers were received.</p> <p>12 Q. Okay. And so you would write on</p> <p>13 the physical report that was printed each month?</p> <p>14 A. Yes.</p> <p>15 Q. And was that report only in hard</p> <p>16 copy?</p> <p>17 A. Yes.</p> <p>18 Q. And -- but you retained that</p> <p>19 report?</p> <p>20 A. Yes.</p> <p>21 Q. Do you know whether DDM still has</p> <p>22 those reports?</p> <p>23 A. I can't answer that.</p> <p>24 Q. Okay. Would you have written the</p>	<p style="text-align: right;">Page 89</p> <p>1 Q. Okay. And so it wasn't your job</p> <p>2 or responsibility to identify orders that were</p> <p>3 suspicious and should be halted before they went</p> <p>4 out, correct?</p> <p>5 A. Say again.</p> <p>6 Q. It wasn't your job or</p> <p>7 responsibility at DDM to identify suspicious</p> <p>8 orders and then halt them before they went out,</p> <p>9 correct?</p> <p>10 A. Well, you're using the term</p> <p>11 "suspicious order." We didn't -- but if there</p> <p>12 was a suspicious order, then they would have</p> <p>13 gone out. We would have followed up at the back</p> <p>14 side, on the back end.</p> <p>15 Q. They would have gone out but you</p> <p>16 would have followed up later?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. Do you know whether that</p> <p>19 complies with the Controlled Substances Act</p> <p>20 requirement that you have effective controls in</p> <p>21 place to prevent against diversion?</p> <p>22 A. Well, when you look at our -- you</p> <p>23 know, because we're still a closed system, there</p> <p>24 was some conversations whether or not, because</p>

<p style="text-align: right;">Page 206</p> <p>1 Q. Okay. So the report would say</p> <p>2 their average is one bottle for the last year</p> <p>3 and this month they ordered five bottles, you've</p> <p>4 got to look into it?</p> <p>5 A. We have to -- yes, that would be a</p> <p>6 case where I knew that we had different sizes</p> <p>7 and before they would -- they switched sizes.</p> <p>8 They switched size bottles.</p> <p>9 Q. Okay. Conversely, if a pharmacy</p> <p>10 was ordering, let's say, two bottles of 100</p> <p>11 tablets and that was their average for the last</p> <p>12 12 months, okay? Is that fair example to start?</p> <p>13 A. Yes.</p> <p>14 Q. All right. And then they switched</p> <p>15 the next month and they -- instead of getting</p> <p>16 two bottles of 100 tablets, they get two bottles</p> <p>17 of 500 tablets, would that show up on your</p> <p>18 12-month average rolling report?</p> <p>19 A. Yes, because previously they</p> <p>20 didn't order any of the 500s. Now they're</p> <p>21 ordering two. So their history was different.</p> <p>22 Q. Okay. So it would say -- it would</p> <p>23 say your previous 12-month on a 500-tablet</p> <p>24 bottle is zero and now you've ordered two?</p>	<p style="text-align: right;">Page 208</p> <p>1 regards to the six-week average if Jill was</p> <p>2 looking at that, but that was still part of the</p> <p>3 program. It wasn't something that I look at,</p> <p>4 but it was still something that was looked at by</p> <p>5 humans, by people, a set of eyeballs on it.</p> <p>6 So -- and if she had any questions about it, she</p> <p>7 would either contact the stores or contact me</p> <p>8 or -- you know.</p> <p>9 Q. Just to be clear, I don't want to</p> <p>10 know what Jill did because obviously Jill did</p> <p>11 that, so --</p> <p>12 A. All right.</p> <p>13 Q. Yeah. But just after looking at</p> <p>14 those two letters and all the things we</p> <p>15 discussed, it's still your position that DDM</p> <p>16 complied with the obligations that it had under</p> <p>17 the Controlled Substances Act?</p> <p>18 A. I believe so.</p> <p>19 Q. Okay. All right. And just so</p> <p>20 that we're clear, I want to just confirm, DDM's</p> <p>21 suspicious order monitoring policies and</p> <p>22 procedures were never put in writing, correct?</p> <p>23 A. Correct.</p> <p>24 Q. Okay. And those policies and</p>
<p style="text-align: right;">Page 207</p> <p>1 A. Correct.</p> <p>2 Q. And that's greater than</p> <p>3 99 percent?</p> <p>4 A. Correct.</p> <p>5 Q. So it wouldn't be based on the</p> <p>6 tablet numbers, it would be based on the</p> <p>7 bottle's size?</p> <p>8 A. Yes.</p> <p>9 Q. Okay. Was there any other unit</p> <p>10 that was tracked by that report that would cause</p> <p>11 it to generate other than bottle size?</p> <p>12 A. Not to my knowledge. It's been a</p> <p>13 while since I looked at that report.</p> <p>14 Q. Okay. After those two letters</p> <p>15 that we looked at from the DEA, do you believe</p> <p>16 that DDM complied with every obligation</p> <p>17 underneath the Controlled Substances Act?</p> <p>18 A. I do. I still think that our</p> <p>19 system, our SOMS system, looked at -- it wasn't</p> <p>20 just the 12-month rolling average. It was --</p> <p>21 you know, that was part and parcel of the plan,</p> <p>22 the program.</p> <p>23 Q. Okay.</p> <p>24 A. We did have a prospective in</p>	<p style="text-align: right;">Page 209</p> <p>1 procedures were not effective at deterring or</p> <p>2 preventing completely theft of hydrocodone from</p> <p>3 stores, correct?</p> <p>4 MR. JOHNSON: Objection.</p> <p>5 A. I think that -- you're talking</p> <p>6 about distribution level versus store level</p> <p>7 here, right?</p> <p>8 Q. I'm just asking you whether DDM's</p> <p>9 suspicious order monitoring policies were</p> <p>10 effective at preventing --</p> <p>11 A. Yes.</p> <p>12 Q. -- theft.</p> <p>13 A. Yes.</p> <p>14 Q. Okay. But you agreed with me</p> <p>15 earlier today that there were several instances</p> <p>16 where controlled substances were stolen from a</p> <p>17 DDM pharmacy, right?</p> <p>18 A. But -- yes, but the system</p> <p>19 caught -- the systems in place caught whatever</p> <p>20 was missing based on our monthly reports, based</p> <p>21 on the rolling reports, based on everything that</p> <p>22 we reported.</p> <p>23 Q. Right. They caught it after the</p> <p>24 fact, but they didn't prevent it, right?</p>